



FOR IMMEDIATE RELEASE
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ARIZONA DEPT. OF HOUSING GETS \$38 MILLION IN FEDERAL FUNDS
Total of \$121 Million to Arizona Will Fight Blight, Crime from Foreclosure

PHOENIX – Governor Janet Napolitano announced today that the Arizona Department of Housing will receive more than \$38 million from the federal Department of Housing and Urban Development to help Arizona communities deal with the effects of foreclosure. Governments around Arizona will receive more than \$121 million from the allocation announced by HUD today under the Housing and Economic Recovery Act of 2008.

Governor Napolitano had pushed hard for Congress to pass that bill and for the President to sign it, and advocated for a funding formula that recognized the impact of foreclosure on states like Arizona. The Governor had written to Congressional leadership as well as the President in support of these policies.

“Arizona communities need substantial help in fighting the effects of foreclosure, and this funding will do a great deal,” Governor Napolitano said. “I’m glad that the federal government has taken action on this problem, and that Arizona has received a healthy share of resources to deal with the pressing effects that foreclosures are having on our communities.”

Neighborhood stabilization funds, as these grants are known, help localities and non-profits obtain foreclosed housing, rehabilitate that housing and make it available to homebuyers. This helps reduce the number of vacant homes in highly impacted neighborhoods, thus eliminating blight and potential crime. The \$38 million directed to the state Department of Housing will address stabilization needs in both highly impacted urban areas that may need additional assistance as well as rural Arizona.

The new funding will mean quick action to help Arizona communities. “These funds represent good news for Arizona neighborhoods struggling with large numbers of foreclosures and the blight that often accompanies this problem,” said Fred Karnas, Director of the Arizona Department of Housing. “The Department of Housing has initiated a series of discussions with local communities so that we are positioned to move decisively and act collaboratively to benefit communities throughout the state to address this critical problem.”

This recent funding comes atop a number of actions Governor Napolitano has taken to address Arizona’s housing problems. Earlier this month, the Governor announced *Housing Arizona*, a \$13.6 million initiative designed to strengthen state efforts to meet the needs of Arizona families and communities hard hit by the economy. *Housing Arizona* strengthens state foreclosure

prevention programs, provides help to first-time homebuyers to take advantage of existing affordable housing, and fights homelessness among key populations such as veterans and children. In addition, Arizona's local foreclosure hotline – available at 1-877-448-1211 – has helped put thousands of Arizonans in touch with local foreclosure counselors who talk to homeowners about what they can do to avoid foreclosure.

Copies of the Governor's letter to Congressman Ed Pastor, as well as a letter written to President Bush and signed by Governors, are attached.

For more information about the Office of the Governor, please visit www.azgovernor.gov.